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OMB WATCH

April 12, 1996

The Honorable Reed Hundt
Chairman
Federal Communications Commission
1919 M Street, N.W. Room 812
Washington, DC 20554

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RECEIVED BY THE FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

Re: CC Docket No. 96-45

Dear Mr. Chairman,

I write, as information policy analyst for OMB Watch, to urge you to broadly define those services that will be considered "universal service" so that all sectors of U.S. society will have affordable and meaningful access to the promised benefits of the National Information Infrastructure. I also write to urge you to entreat the Census Bureau to retain in the 2000 census the question concerning whether households have telephone service; without this information, the FCC's mandate to ensure that consumers "in all regions of the Nation...have access to telecommunications and information services..." will be impossible to fulfil.

In its recent Notice of Proposed Rulemaking to define the services that will be supported by Federal universal service support mechanisms (among other concerns), the Commission specifically requested comment on differences within urban areas (in addition to those between urban and non-urban areas) in the range of affordable services; how to evaluate whether a feature is "essential to education, public health, or safety;" what constitute "core services;" and whether the Telecommunications Act of 1996 requires that all regions of the country must have access to all telecommunications and information services.

■ Studies by Jorge Reina Schement and others have conclusively demonstrated that access to even basic telephone (voice-grade) service is far from universal in urban areas and is closely correlated to income and to race. A study conducted by the National Telecommunications and Information Administration of the Department of Commerce (*Falling through the Net: A Survey of the "Have Nots" in Rural and Urban America*) has likewise demonstrated similar correlations (with an additional variable of education) for the presence of computer and modems within households—which, of course, are useless without telephone service. A study by the National Center for Education Statistics (*Advanced Telecommunications in U.S. Public Elementary and Secondary Schools, 1995*) moreover illustrates the connection between poverty and lack of Internet access in public schools in schools that serve the poor. The results of these studies, thus, strongly support the Commission's recognition of variation and, therefore, any definition of the "range of services" available to urban consumers generally must be careful to ensure that (a) the range is available to all urban consumers generally, and (b) that this "range of services" is not reduced to the lowest common denominator.

It is also essential in this regard that the Bureau of the Census be very strongly urged to retain in the 2000 census the question concerning whether households have telephone service. Indeed, if anything a question should be added that would permit tracking of the characteristics of households that have access to advanced telecommunications and information services (such as the Internet).

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■ One of the ostensible purposes of the Telecommunications Act of 1996 was to enable the creation of the communications infrastructure for the NII, not merely to enable the private sector to decide on a purely bottom-line-driven basis who will get access to the promised benefits of the NII and how long some sectors of our society will be forced to wait for that access. If we are to have a truly *national* NII, then "core services" must be expanded beyond mere telephone service. At the very least, a clear timeframe and clear equity principles must be laid out for the expansion of the definition of core services to ensure that *all* persons will, within a time-certain, have meaningful access to advanced telecommunications and information services. It cannot be acceptable, as more and more government services are provided electronically and more and more government information is *only* provided electronically, that affordable and meaningful (in the sense of being able to find and use information) access will not be seen as the *quo* for the *quid* massive deregulation the industries have received.


■ An interesting question, but perhaps a red herring, is raised by the Commission's request for comment on whether the Act's mandate that the Commission ensure that all regions of the country have access to advanced telecommunications and information services requires that all regions have access to *all* these services. As "advanced telecommunications and information services" is a term without content at present, it seems fruitless to focus on this issue at this time. The Commission's attention will be much more productively focused on thinking through and setting out the procedures for an evolving definition of when a feature is "essential to education, public health, or safety."

■ The determination of what features are to be defined as "essential" is, for us, the crux of the question of universal service. As noted previously, the justification for the deregulation of the communications industries was to enable them to develop the infrastructure for the NII. The promise of the NII is enhanced educational, vocational, recreational—and citizenship—capabilities for all members of this society. It is not conceivable that access to government services and to government information which, as noted above, is more and more frequently being made available *only* electronically, and to other services critical to the ability to function in an increasingly knowledge-oriented society will not be deemed as "essential" to education. At the very least, the Commission should lay down clear plans and timelines for the transition from a more restricted to an appropriately expansive definition of "essential."

We believe that it is essential that the Commission and the Federal-State Joint Board on Universal Service take the opportunities presented by the Telecommunications Act of 1996 to lay out definitions that will ensure that all members of American society will enjoy the benefits of a democratic and truly *national* information infrastructure.

Thank you for the opportunity to comment.

Sincerely,


Patrice McDermott
Information Policy Analyst